

# **EXHIBIT 279**

**From:** Patricia Huff [unitedvoiceslist@unitedegg.com]  
**Sent:** Friday, February 16, 2007 7:48 AM  
**To:** Greg Hinton  
**Subject:** UEP Newsletter  
**Attachments:** united\_voices\_current.pdf

Attached is the latest copy of the United Voices newsletter.

Patricia Huff  
United Egg Producers  
770-360-9220

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[patricia@unitedegg.com](mailto:patricia@unitedegg.com) and state that you want your email removed.-----



# United Voices

Gene Gregory – Editor

**UEP**

## HIGHLIGHTS OF THIS ISSUE

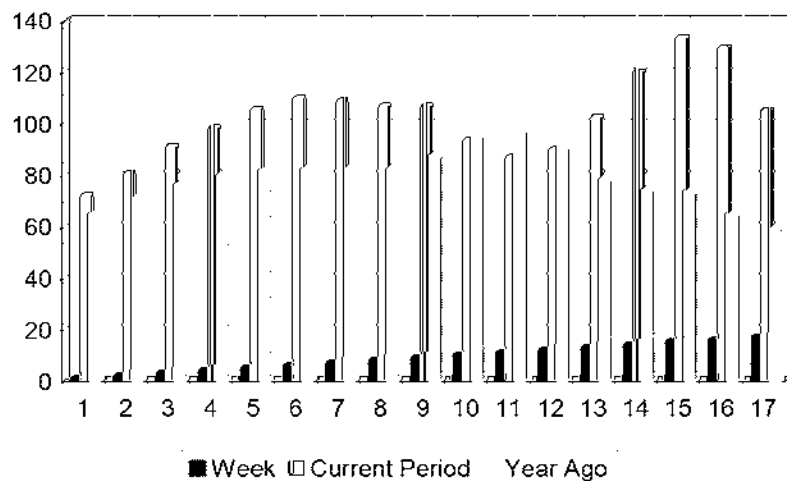
- \* **Export**
- \* **Environment  
Consultant**
- \* **Largest  
Producers**

### USEM Takes Another Export

The members of United States Egg Marketers (USEM) have once again approved an export of 300 containers (approximately 243,750 cases) for delivery beginning mid-February through March 9<sup>th</sup> to Germany, Israel, Italy, Japan, and the United Kingdom.

Since mid-October the USEM members have now approved three exports for a total of 690 containers (approximately 566,850 cases). Considering the fact the nation's layer flock inventory was virtually the same during the period of October through February of each year, we must conclude that these exports have had a major positive impact upon shell egg prices and the financial conditions of shell egg producer/marketers. Likewise, the exports have improved, to a lesser degree, breaker stock prices and have benefited those producers selling eggs based upon the Umer Barry breaking stock quote.

During a 17 week period of October 15<sup>th</sup> through February 9<sup>th</sup> Umer Barry's Midwest Large quote averaged \$102.5 compared to 78.6 cents per dozen during the same period a year earlier - 23.9 cents per dozen improvement. During the same period breaking stock prices improved by 9.2 cents per dozen.



**UNITED EGG PRODUCERS**  
1720 Windward Concourse  
Suite 230  
Alpharetta, GA 30005

Phone: (770) 360-9220  
FAX: (770) 360-7058

<http://www.unitedegg.com>

**What did it cost the USEM members to fill these exports?** The October export cost each member 45.2 cents per dozen and the January export cost each member 64.9 cents per dozen for an average of the two exports being 59.4 cents per dozen. Some members pack and deliver their own eggs and incur a loss for the difference between the export sale price and what their eggs would have been worth in the domestic market. Other members

request that UEP purchase their committed share in the open market and are then invoiced for the difference between the export sale price and the cost of eggs purchased. Each member with one (1) million layers incurred an export loss of about \$47,000.00 for the past two exports.

**What were the benefits?** With an improved price of 23.9 cents per dozen, a producer with one (1) million hens realized an approximately increased revenue of the \$1,740,000.00 over a 17-week period. The \$47,000.00 investment provided a major return. Keep in mind this is increased revenue and not profits.

What will be the benefits of the most recently announced export for delivery in February and March? It is anyone's guess but keep in mind that Urner Barry's Midwest Large quote was 72 cents when the October export was announced and prices rose to \$1.10. Prices were at 93 cents when the January export was taken and rose to \$1.33. The average gain of both exports was 39 cents per dozen.

USEM members represent only about 140 million hens. USEM is pleased to welcome new members – Mussman's Back Acres of Grant Park, Illinois and Larry Thomason Egg Farm of Calhoun, Georgia and acknowledges the commitment and support of Wilcox Farms of Roy, Washington and Willamette Egg Farm of Canby, Oregon. We estimate there are at least 200 million hens that produce for the shell egg market. Not only have USEM members benefited from the exports, but also, so have all other shell egg markets.

We recognize and appreciate that some producers have cost-plus deals and these arrangements provide long-term benefits. These producers, however, did not see the value of their egg sales increase during the period of these exports. We also recognize that many egg breakers and egg product companies did not benefit and in fact may have paid higher prices for eggs to fill orders at pre-arranged pricing with their customers.

Now there will be those that say I've given too much credit to the exports improving price. So let's give some credit to higher consumer demand, weather problems, and increased flock molt. Regardless, we must conclude that USEM members made a major financial investment and contributed to a more profitable industry for most all shell egg producers.

While we calculate the increased revenue, we must not lose sight of the increasing cost of feed grains. Your retail and foodservice customers need to know that ethanol is driving prices of corn for animal feed to record levels. We estimate that feed costs are approximately 10 to 11 cents per dozen higher than a year ago. Depending upon the amount of marketing allowance you are providing customers, we estimate the Urner Barry Large quote may need to be from 90 to 95 cents per dozen to breakeven.

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### California Court Rules on Sow Gestation Crates

A California District Court of Appeals rejected a case involving swine gestation stalls filed by Farm Sanctuary against the state's largest pig farmer. The judge dismiss the case citing Proposition 64, which bans private parties from bringing lawsuits against a business unless they were harmed personally and financially by the alleged misconduct. Farm Sanctuary plans to appeal the case to the California Supreme Court.

Source: Feedstuffs

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### UEP Environment Consultant Changes Firms

Tom Hebert, UEP's consultant on environmental matters in Washington, D.C. has moved his government affairs practice to the Federalist Group, another prominent federal lobby shop effective February 12, 2007. Tom reports that the decision to leave C&M Capitolink, with its affiliation with Crowell & Moring, was the most difficult he has had to make in his professional career. But the Federalist Group represents significant new opportunities for him and he is very excited about this change. UEP is pleased to report that despite this change Tom will continue to be UEP's DC government affairs consultant on environmental and regulatory matters, and that should the need

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arise he will continue to support our work with Crowell & Moring and the good people at Capitolink. Please join us in wishing Tom well in his new home. UEP looks forward to growing our successful relationship with him, and to his and the Federalist Group's contributions to the egg industry's well being. Tom can be reached at (202) 842-5077, or [thebert@federalistgroup.com](mailto:thebert@federalistgroup.com).

### Welcome New Members

UEP is pleased to welcome the membership of Ed Olivera of Olivera Egg Ranch in San Jose, CA. and the UEA-Allied division is pleased to welcome the return of Coast Packaging Co. of Mira Loma, CA.

### Humane Education

A rather interesting Bill has been introduced in the state of Connecticut and referred to the committee on environment. Among the directives, the Bill says that the State Board of Education shall make available curriculum materials to teach the principles of humane education, including the importance of character traits such as compassion, kindness and empathy and the humane respectful treatment of other people, **animals and the environment**, and such principles shall be developed by local and regional boards of education in consultation with, as needed, the Commissioner of Agriculture, the Commissioner of Education and representatives of the state farm industry, **animal welfare organizations**, and humane education organizations.

### Industry's Largest Producers

*Egg Industry* magazine annually provides a list of the nation's largest egg producers and it is always interesting to compare the current list with those of past years. The most recent listing represents 63 companies owning one (1) million or more layers and represents approximately 87% of all the nation's egg-type layers. In 1996 there were 53 companies owning about 68% of all layers and in 1986 there were 53 companies owning 52% of all the nation's layers. Shown below is a ranking of the largest producers by year.

<u>Company</u>	<u>2006</u>	<u>1996</u>	<u>1986</u>
Cal-Maine Foods	1	1	4
Rose Acre Farms	2	3	2
Moark, LLC	3	not listed	14
Michael Foods Egg Products	4	2	6
Sparboe Summit Farms	5	15	47
DeCoster Egg Farms	6	4	7
Golden Oval Eggs	7	not listed	not listed
Ohio Fresh Eggs	8	7	5
ISE America	9	6	3
Dutchland Farms (Wenger)	10	not listed	not listed
Daybreak Foods	11	not listed	not listed
Fort Recovery Equity	12	5	not listed
Midwest Poultry Services	13	10	8
Fremont Farms of IA.	14	not listed	not listed
Rembrandt Enterprises	15	not listed	not listed

While we always attribute size to efficiency, it is interesting to consider some of the names of 1986 that can't be found among the 2006 list. Respected companies in 1986 included: Cargill – Gold Kist – Dairy Fresh – Eggs West – Hudson Foods – Sunnyside Eggs – Egg City – Country Skillet – Cypress Foods – American Agrivest – Pennfield Farms – Bronson Farms – Savannah Valley Egg – Sun Valley Farms – Yeager & Sullivan – Embly Ranch – and Nest Fresh.

### **Long Range Planning**

UEP's Long Range Planning Committee, chaired by Roger Deffner will meet in Salt Lake City, Utah on February 27<sup>th</sup>. Ideas for discussion have been solicited from committee chairmen for food safety, environment, animal welfare, government relations, etc. and will be on the agenda.

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### **Animal Rights Push of Farm Bill Worries Livestock Producers**

Agriculture columnist Philip Brasher says livestock producers are watching nervously as animal welfare groups push to use the new farm bill to stop practices they consider inhumane. Brasher says the increased size and influence of the Humane Society of the United States (HSUS) since the last farm bill was written, along with the Democratic takeover of Congress and the defeat of several of the livestock's industry's staunchest allies have been behind the change. Brasher says animal welfare forces have already shown their clout on some issues and concludes that some farmers may rue the day that Congress passes the farm bill.

Source: Des Moines Register

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### **Donations to Animal Activists**

The December 2006 issue of *Animal People* revealed that the Humane Society of the United States (HSUS), the largest animal activist group, increased donations by a striking 62% in 2005. Additionally, HSUS' net assets increased 80% during the year, to over \$200 million.

Source: Animal Agriculture Alliance

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### **Federal Budget**

The *Kiplinger Letter* provided line item expenditures of President Bush's FY 2008 budget including the cost of the war in Afghanistan and Iraq. Interesting to note that Social Security, Medicare, Medicaid, and food stamps make up 42.7% of the budget. Defense and homeland security accounted for 22.3%.

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### **Consumers Need To Be Educated About Farming**

David Miliband, secretary of state for the Environment, Food & Rural Affairs (DEFRA) in the United Kingdom says consumers will want more information about how their food is produced and where it comes from, and farming will need to reconnect with consumers. As a beginning, Miliband has launched "A Year of Food & Farming", which will be a continuing effort to educate young people in primary and secondary schools about how food is produced and the impact of food on the environment and health.

Editors note: For some time I've been saying that we need to advertise to consumers about the way we produce eggs. We should be proud to tell consumers the reasons why we produce eggs in cages. We should not allow animal activists to be the voice of agriculture.

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### **For Sale**

28,000 Phillips plastic flats in excellent condition. Call Linda at the UEP-Iowa office (563) 285-9100.

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## GENERAL INFORMATION

### COURSE

We are pleased to present the fourteenth National Egg Quality School to be held May 21-24, 2007, at the Radisson Penn Harris Hotel & Convention Center in Harrisburg, PA.

The National Egg Quality School continues the tradition of a curriculum that is designed for the serious-minded student who is willing to learn as much as possible about egg quality in a concentrated, comprehensive four days. The National Environmental Health Association awards up to 25 contact hours of continuing education credit for successful completion of this course. Lectures combined with individualized instruction and "hands on" laboratory experience has proven to be a successful technique in preparing students to be a more knowledgeable egg emissary.

The class will be divided into sections of five students, each with an instructor who will work with their section throughout the course reviewing and explaining lecture material, answering questions, instructing them in the laboratory and preparing students for the exam.

### LEADERSHIP

The school is administered through a Board of Directors elected by egg industry stakeholders with support and leadership provided by the following organizations:

American Egg Board, Arizona Department of Agriculture, Arkansas Livestock & Poultry Commission, Egg Nutrition Center, Egg Safety Center, Indiana State Egg Board, Iowa State University, Maryland Department of Agriculture, National Egg Regulatory Officials, North Carolina Department of Agriculture & Consumer Services, North Carolina State University, Pennsylvania Department of Agriculture, Pennsylvania State University, South Carolina Department of Agriculture, United States Department of Agriculture, University of Arkansas, University of Kentucky, and Virginia Department of Agriculture & Consumer Services.

The instruction staff includes leading university scientists, experienced state and federal regulatory officials, and seasoned industry organization representatives. Dr. Susan Watkins, Extension Poultry Specialist at University of Arkansas is Director of the school.

### SPONSORSHIP

American Egg Board, Creighton Brothers, Dolco (Tekni-Plex), Midwest Poultry, Rose Acre Farms and Wabash Valley have generously provided donations during 2006 to further the educational opportunities offered by the school.

### MISCELLANEOUS INFORMATION

Dress for the school is casual. Course materials will be distributed during registration at 8:30 a.m. on Monday, May 21, 2007. Section assignments will be located in these materials.



*"The National Egg Quality School was one of the most interesting, educational and fun sessions that I have ever had the pleasure to attend. The speakers were dynamic, the "hands-on" laboratory time invaluable and the material very comprehensive. If you're in the egg industry, you can't miss this session."*

John Mehlic, Purchasing Manager  
Moark Egg Corporation



## ACCOMMODATIONS

### (Payable individually)

The Radisson Penn Harris Hotel & 1150 Camp Hill Bypass, Camp Hill, PA 17011. Room rate of \$75.00 per night single or double, plus tax and breakfast.

Transportation:  
Complimentary airport shuttle service will be provided.

Room reservations should be made with the Indiana State Egg Board.

## TUITION AND MEALS

The tuition is \$475 prior to April 1, 2007. This fee includes all books, materials, and meal functions. Group meal functions are available for groups of 10 or more on Monday, lunch and dinner on Tuesday, Wednesday, and coffee breaks on Wednesday. Information for tuition and meals may be obtained by contacting the school.

## HOW TO ENROLL

Complete the Application for Admission and mail with your check for enrollment to:

National Egg Quality School  
Indiana State Egg Board  
Attn: Candy Byers  
Purdue University, Poultry Science Department  
West Lafayette, IN 47907-1398  
Telephone: (765) 494-8575  
Fax: (765) 494-6349  
Web: <http://www.eggschool.org>  
e-mail: [cbyers@purdue.edu](mailto:cbyers@purdue.edu)

Apply early to ensure acceptance. If you are accepted, you will be notified via a confirmation letter. If you are not accepted, you will be notified via a confirmation letter. If you are accepted, you will be notified via a confirmation letter. If you are not accepted, you will be notified via a confirmation letter.

## UPON ACCEPTANCE

When your application for admission is accepted, you will be notified via a confirmation letter. If you are not accepted, you will be notified via a confirmation letter. If you are accepted, you will be notified via a confirmation letter. If you are not accepted, you will be notified via a confirmation letter.

## CERTIFICATION

Certificates of Proficiency will be awarded to students who attend all sessions and pass the examination on Thursday. Students who do not take the exam on Thursday will not receive a Certificate of Attendance.



## GENDA

### day May 21

#### Registration

#### Orientation and Introductions

LECTURE I "The Nutritious Egg"

McNamara, Egg Nutrition Center

LECTURE II "Formation of the Egg"

Pescatore, University of Kentucky

#### BREAK

LECTURE III

of the Commercial Egg Industry"

Watkins, University of Arkansas

#### BUZZ SESSION

LUNCH

LECTURE IV

"The Importance of Water Quality"

Watkins, University of Arkansas

LECTURE V

Important Merchandizing Tool

"How to Conserve Quality"

North Carolina State University

#### BUZZ SESSION

LECTURE VI

"Exterior Egg Quality Factors"

Ben Cockfield, USDA/AMS

#### BREAK

LABORATORY I

erior Egg Quality Determination"

MD Department of Agriculture

rginia Department of Agriculture

LECTURE VII

"Being Positive About Eggs"

McNamara, Egg Nutrition Center

SION AND GENERAL REVIEW

Dinner - On Your Own

### day May 22

LECTURE VIII

on Nutrition Impacts Egg Quality"

l Patterson, Penn State University

RE IX "Reducing Shell Damage"

North Carolina State University

#### BREAK

CTURE X "Interior Egg Quality"

Ben Cockfield, USDA/AMS

#### LABORATORY II

"Interior Quality Determination"

MD Department of Agriculture

rginia Department of Agriculture

BUZZ SESSION

URE XI "Basics of Microbiology"

Dr. Mike Musgrove, USDA/ARS

Make Your Own Omelet Lunch

melet King, American Egg Board

1:10 am LECTURE XII "Animal Welfare Update"

Dr. Tony Pescatore, University of Kentucky

LECTURE XIII

"The Animal Welfare Audits and Shell Egg Plant

Systems Audit"

Roger Glashoff, USDA/AMS

BUZZ SESSION

LECTURE XIV

"Designing a Quality Assurance & Food Safety Program"

Dr. Hillary Shallo Thesmar, Egg Safety Center

3:10 pm BREAK

3:30 pm LECTURE XV

"Egg Processing Plant Sanitation"

Dr. Mike Musgrove, USDA/ARS

LECTURE XVI "Introduction to HACCP"

Dr. Deana Jones, USDA/ARS

BUZZ SESSION AND GENERAL REVIEW

DINNER- Egg Handler's Romp

4:15 pm

5:00 pm

6:30 pm

### Wednesday May 23

8:00 am LECTURE XVII

"Infectious Diseases and Egg Quality:

Infectious Bronchitis Model"

Dr. Darrell Trampel, Iowa State University

LECTURE XVIII "Update on Disease Issues"

Dr. Darrell Trampel, Iowa State University

LECTURE XIX

"Federal and State Labeling Requirements"

"Specialty and Designer Eggs"

Dr. Hillary Shallo Thesmar, Egg Safety Center

9:55 am BREAK

10:15 am LECTURE XX

"Bringing Eggs and Food Borne Disease into Perspective"

Dr. Mike Musgrove, USDA/ARS

BUZZ SESSION

LECTURE XXI "Measuring Haugh Units"

Dr. Deana Jones, USDA/ARS

LECTURE XXII "Food Security Program"

Dr. Hillary Shallo Thesmar, Egg Safety Center

11:30 am LUNCH

12:00 noon LECTURE XXIII

"Combining All Quality Factors Into Grades"

Ben Cockfield, USDA/AMS

LABORATORY III

1:50 pm "Combining All Quality Factors Into Grades"

Jim Greer, MD Department of Agriculture

LECTURE XXIV

"EPIA and Voluntary Grading Programs"

Ben Cockfield, USDA/AMS

GROUP PICTURE AND BREAK

LECTURE XXVI

"Answering Your Consumer's Questions"

Dr. Deana Jones, USDA/ARS

LECTURE XXVII

"Promoting the Incredible Egg"

Elisa Maloberti, American Egg Board

4:15 pm

4:45 pm BUZZ SESSION AND GENERAL REVIEW

Session Over- Dinner on Your Own

7:30 pm REVIEW SESSION

8:00 pm Laboratory available for Section Study and

Faculty Consultation

### Thursday May 24

8:00 am WRITTEN AND PRACTICAL EXAM

11:00 NOON SCHOOL ENDS

*"The Egg Quality School is a good program for egg companies such as ours. It is good for new employees as well as a good refresher for long-time employees."*

Fred Adams, Chairman of the Board,  
Cal-Maine Foods

*"If your business is grading eggs, sales and distribution or food preparation, then the Egg Quality School is one of the best investments of time and money you could make for yourself or any employee."*

Ronald Swafford, General Manager,  
Shelled Egg Quality Control, Rose Acre Farms



May 21-24  
Radisson Penn  
Hotel & Convention  
Harrisburg





REDACTED

REDACTED